The Changing Branch and Workforce Management

We all know that credit union branches are being changed by member-use of banking technology. Since labor is one of the largest cost components of branch banking, most CU executives are closely examining staff roles, cost and effectiveness as they prepare their branches for the future. The need for performance metrics in this area is driving a growing interest in Workforce Management (WFM).

Branch expense, in proportion to the overall organization, is large and its largely structural. For most CUs, branches represent a commitment to a local market that cannot be quickly or easily changed. Yet, technology is driving a change in consumer banking behavior faster than management can *comfortably* respond! Amidst these forces of change its hard to keep one's "bearings", so it's not surprising that many CUs find that they are searching for performance metrics that they have not needed before. When blazing a new trail, generic industry averages or past practices are simply not adequate!

With respect to Workforce Management metrics, we think there is a need to measure and manage three main drivers: 1) teller traffic 2) overall branch visits, and 3) platform activities. Let's talk about each.

In the case of **teller traffic,** the challenge is to manage it in decline. The fact is, that it's hard to manage *anything* in decline and this is no exception. Teller management tools can assist in this area and are useful, but we caution against over-reliance on "peer measurements" or industry averages. Each CU will need to chart its own path; throttling down teller expense at a rate consistent with their membership's needs in each market area and with individual branch size being taken into consideration. Teller scheduling tools are one component of Workforce Management; make sure that you select one that is easy to learn and use.

With **overall branch visits** also in decline, the need to encourage teller referrals to the platform has grown. When a teller redirect members to the platform/new accounts area for a sales or service fulfillment, it is an important action that should be measured (and celebrated!). I can imagine some readers rolling their eyes as they read this – what a blinding grasp of the obvious you might say – but while *everyone knows* this, most credit unions are NOT measuring it. This is another component of Workforce Management; make sure you measure what matters!

When it comes to **platform activity**, the situation is more complex. How long will members wait for service and remain "happy"? Does waiting time erode "consulting" time, because the member becomes anxious to leave? Are you adequately staffed for traffic surges? How to do you make the most of the limited time spent with a member?

At Better Branches Technology, we think **platform staff performance** improves if Platform Staff know the member's identity and the purpose of their visit prior to starting their interaction with the member. Knowing this, the MSR can prepare for the meeting – review the account, assemble product collateral and generally "get focused". It only takes a moment, but it is a moment that will pay dividends in new sales and member satisfaction.

Lobby Management applications with member check-in kiosks can improve platform performance by immediately capturing visitor identity and visit purpose. Capturing this information starts off a rich collection of Workforce Management data that includes: visit volume, wait time, platform employee utilization and "time to serve".

Several years ago our clients ask us to assist in dividing each platform visit (as tracked in our Better Lobby application) into Platform Services. This was needed to support *Activity Based Costing* for each service rendered during a visit. Wait time, service time, employee utilization, visits per hour, services per visit, cross-sell ratios – all of these are important platform metrics and are part of branch Workforce Management.

A **new area to watch** is the use of Branch Appointments. In many ways, this is currently the missing piece of the "member visit puzzle". Executives should ask themselves: how much are we using appointments now, and what would the impact be if we encouraged an increase in appointments?

Some interesting discoveries were made as we worked with clients to better understand their appointment handling needs:

- *Appointment handling is often not well organized in most CUs*. Some use spreadsheets or share Outlook calendars in a way that is cumbersome. Those CUs that provide Outlook calendars to some reps (i.e., mortgage officers) do not provide calendar visibility to others (i.e., tellers or call center staff) thus limiting the ability of members to change appointments unless they talk to a specific person.
- *Appointments can be used to reduce cost and improve service.* In client discussions it became clear that encouraging appointments in off-peak times (i.e., 2- 4 pm) and NOT making appointments during peak times (i.e., 11 am to 1:30 pm) was considered a good way to move peak traffic into slow periods.
- *Current branch appointment handling methods provide few workforce metrics to assist management in evolving the branch.* We think management is interested in platform metrics such as: "appointments/day/employee" "% of no-show appointments" and "appointments vs. walk-ins ratio". This information is not available using the most commonly employed appointment handling tools.
- *Mobile/web member-initiated appointments are coming* - few CUs have the technical or operational infrastructure needed to meet this member expectation.

One of the best ways for credit unions to improve their branch performance is by establishing, monitoring and managing member-service related workforce metrics. Those CUs that do so will be well positioned to respond to the changing consumer needs in a rapidly changing marketplace.